ARE THE EXPECTATIONS OF THE LANTERMAN ACT BEING MET?: AN EVALUATION OF THE CALIFORNIA DEPARTMENT OF DEVELOPMENTAL SERVICES' PERFORMANCE CONTRACTS

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ARE THE EXPECTATIONS OF THE LANTERMAN ACT BEING MET?: AN EVALUATION OF THE CALIFORNIA DEPARTMENT OF DEVELOPMENTAL SERVICES' PERFORMANCE CONTRACTS

A Thesis

by

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Abstract

of

ARE THE EXPECTATIONS OF THE LANTERMAN ACT BEING MET?: AN EVALUATION OF THE CALIFORNIA DEPARTMENT OF DEVELOPMENTAL SERVICES' PERFORMANCE CONTRACTS

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Statement of Problem

California is the only state to entitle individuals with developmental disabilities to the services and supports required to live independent and productive lives. Fulfilling the entitlement has proved challenging for the California Department of Developmental Services (DDS), however, as California must demonstrate fiscal prudence, while still providing the right to entitlement to individuals with developmental disabilities. To address this issue, California established performance contracts to measure how well the DDS is meeting its government mandate.

This thesis aimed at answering multiple questions, regarding the DDS performance contracts. First, what is the DDS currently measuring in its performance contracts? Second, what do the existing measures tell the reader about how well the department is performing? Lastly, are there any performance measures that the department should be measuring that it is not?

This thesis evaluated the DDS' 2009 Performance Contracts and Year-End Reports, measuring data, from each, against the mandatory rights of individuals with developmental disabilities, established by the Lanterman Act. A review of the performance measures determined how well the DDS is meeting its organizational goals and objectives.

Findings and Implications

The 2009 Performance Contracts sufficiently informed the public that the DDS meets its organizational goal of providing less restrictive living options to individuals with developmental disabilities. Yet, the study indicated that the DDS does not incorporate quality measures into its performance contracts. Additionally, the study suggested that while the DDS' performance contracts may use some adequate measures to determine how well the department is achieving the expectations set forth in the Lanterman Act, the department lacks performance measures and data in a number of important areas. This suggests that the DDS would benefit from developing quality performance measures for all the mandatory rights outlined in the Lanterman Act. If the performance contracts adequately measure the department's performance, the DDS can essentially take data from the performance contracts to create cost-saving ideas and service delivery improvements in collaboration with its clients.

_____, Committee Chair
Mary K. Kirlin, D.P.A.

_____
Date

DEDICATION

I wrote this thesis for all the individuals who are able to live independent and productive lives because of the Lanterman Act. I also wrote this thesis for the individuals who took action and brought awareness to developmental disability issues, so that the Lanterman Act could come into existence. I thank them for their never-ending advocacy for individuals with developmental disabilities. I hope that this thesis will encourage continued collaboration between the regional centers, service providers, their clients, and their clients' families to bring about legislative and policy improvements to the California developmental services system.

I dedicate this thesis to Monica Coelho, my inspiration. As an individual who has had a developmental disability since she was very young, her beautiful spirit and energy has inspired me to better understand California's developmental services system. Working on this thesis, I have become more knowledgeable of developmental disabilities and aware of the services provided to individuals in California. As a student of public policy, I know the importance of government accountability in service-oriented programs, and I know the importance of providing efficient and effective services within the confines of the budget. Because of Monica, I encourage California to provide the entitlement efficiently, and I have faith that the state can accomplish this goal if it uses its resources to develop positive solutions for California residents with developmental disabilities. Monica has enriched my life. In return, I give my continued support to her, so that she may always receive the services she needs to live a healthy, happy, productive life.

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I would like to thank my grandma, Elena Ruggiero, who has instilled in me a strong work ethic and a passion for learning. I thank her for her never-ending support and love.

Lastly, I would like to thank Marco, who has stood by me throughout this program. His patience has encouraged me to persevere. I thank him for always believing in me.

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Chapter 1

INTRODUCTION

During the late 1960s and early 1970s, the United States experienced a period of great social reform. The Civil Rights Movement had brought to light a need to end segregation and racial discrimination; at the same time, it had inspired citizens across the United States to question their government, and demand that all citizens receive equal rights. The public's mandate for greater equality for minority groups throughout the country led to landmark legislation. Individuals with developmental disabilities used the opportunity to call for reform of disability services and challenge the legal rights provided to them by law.

Among the first states to take on the issue of the treatment of individuals with developmental disabilities (or individuals with chronic impairments that create substantial functional limitations in at least three or more of the following areas of major life activity: self care, language, learning, mobility, self-direction, potential for independent living, and potential for economic self-sufficiency during adulthood) was California. In 1969, Assemblymember Frank D. Lanterman proposed the Lanterman Mental Retardation Services Act (AB 225), which mandated that the state extend its services and supports for California's developmentally disabled citizens. In 1977, the California Legislature voted into law the Lanterman Developmental Disabilities Services Act (AB 846), which provided further extended services and supports, enabling Californians with developmental disabilities to live a more independent and normal life (Disability Rights California, 1999). The Lanterman Act "was meant to empower people

with developmental disabilities, and to extend to them equal legal rights and responsibilities under state and federal law, while expanding and humanizing the range of services and assistance offered to them in their own communities" (Kemp, 2010). Today, California is the only state in which an individual with a developmental disability has an entitlement, or a categorical right, to services, once eligibility is established. "While other states can limit services or cap expenditures for services to individuals with developmental disabilities, by law, California cannot" (Allenby et al., 2002, p.4).

Even with providing individuals with entitlement to the Lanterman Act's unalienable rights, California still trails a majority of the nation in funding for developmentally disabled residents. California ranked number 37 among states, in the year 2002, in financial commitment to residents with developmental disabilities (Braddock & Hemp, 2004, p.3). While more individuals with developmental disabilities in California now have the legal right to an array of government support services, the need for care for the developmentally disabled exceeds the services available to each individual. Providing adequate services to individuals with developmental disabilities has continued to prove difficult as funding cuts for services and supports result due to budget constraints and economic crisis. Fulfilling unmet needs remains a formidable task, as the State must demonstrate fiscal prudence, while still providing the right to entitlement to individuals with developmental disabilities.

To address this issue, California established the use of "performance contracts" in 1993. These performance contracts are a form of "performance measurement", or a process by which the Department of Developmental Services is able to determine how

well it is meeting its government mandate by measuring the department's activities against a set of established criteria (Rainey, 2003, p. 129). The ultimate goal of the performance contracts, as indicated in Welfare and Institutions Code section 4629, is to ensure that the department is able to provide adequate services to individuals with developmental disabilities in accordance with the Lanterman Act. The objectives of the performance contracts are to assist clients in achieving life quality outcomes, achieve meaningful progress above the current baselines, and develop services and supports identified as necessary to meet identified needs.

In this thesis, I will assess the performance measurement system of the Department of Developmental Services (DDS). I will describe the measures currently being used by the DDS to assess the department's performance, determine how the department is performing based on the existing measures, and address the appropriateness and quality of the existing measures used by the DDS. I will analyze the performance measures used in the DDS' performance contracts, and conclude if these measures are adequately measuring how well the DDS is achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement system.

History

During the late 1960s and early 1970s, a majority of individuals with developmental disabilities in California were living in psychiatric and medical care institutions. These institutions were 24-hour care facilities operated by the state of California. Institutions treated individuals with severe mental disorders who were a

danger to themselves and those around them; however, they also housed individuals with less serious types of disabilities.

As defined earlier, an individual with a developmental disability can be any person who has a chronic impairment that creates substantial functional limitations in at least three or more of life's major activities (Frank D. Lanterman Regional Center, 2010). Based on this definition, an individual with a developmental disability is not inherently a risk to himself or those around him; however, he may need assistance performing some of life's functions. Institutions, in the 1960s, were not ideal locations for many residents because they were not set up to care for individuals with less severe types of developmental disabilities. California had a "one size fits all" type of system that did not meet the needs of many of its clients.

At the urging of parents and the California Association for the Retarded, a Sacramento-based nonprofit organization, the California Legislature determined it necessary to conduct a study of the effects of different types of care for people with developmental disabilities in California. In 1963, House Resolution Number 64, of the United States Congress, created an interim committee to study mental health services in California, with an emphasis in developmental disability services. The committee, made up of California Assembly members, selected the topic of "developmental disabilities" for intensive study for a number of reasons. First, the federal government had designated funds to California for the expansion of state programs for the developmentally disabled, and the Legislature wanted to determine the best use for the money. Second, a 1962 report from the Department of Mental Hygiene, titled "Long Range Plan for Mental

Health Services in California", had advised the Legislature to restructure developmental service delivery. The Legislature had not yet acted on any of the proposed recommendations of the report, and the interim committee was a way of determining which recommendations were politically feasible at that time. Lastly, the Legislature wanted to tackle the problem of "wait lists" for families with developmentally disabled children; wait lists had long been an issue for California's developmentally disabled individuals. Wait lists became a focus of study and were incorporated into the committee's final findings (Golden Gate Regional Center, 2010).

At the conclusion of the study, the committee provided its findings. The committee found that state institutions did not provide services to individuals with developmental disabilities on a timely basis. It also found that lengthy waiting lists caused undue hardship for individuals and their families. Additionally, the government was placing individuals with developmental disabilities into state institutions whether or not they needed to be there, while other state-licensed, privately owned facilities were not being used to full capacity. Privately owned facilities could serve the needs of many individuals for a substantially lower amount. The problem was that lengthy licensing requirements hindered privately owned facilities. Furthermore, the committee found that developmentally disabled children that could afford to stay in the community should do so. Expanded state support for community residential care would ease the burden of the state institutions (Golden Gate Regional Center, 2010). The outcome of the study was a recommendation for the State of California to shift treatment and services for the

developmentally disabled away from state institution based-systems to more independent living systems.

In 1965, Governor Edmund "Pat" Brown signed Assembly Bill 691, authored by Assemblymen Jerome Waldie and Frank D. Lanterman, which established two pilot "regional centers", in response to the House Resolution Number 64 committee's recommendations. The enactment of the regional centers revised the role that the State of California played in the lives of individuals with developmental disabilities. California was now responsible for the individual at a much earlier point: when the individual was determined to have a disability, rather than when the individual entered into a state institution. Due to the success of the pilot program, the California Legislature approved the establishment of 21 regional centers across the state by the late 1970s (Association of Regional Center Agencies, 2010).

Further legislation arose out of the committee's recommendations in the subsequent years to follow. Table 1.1 on the next page displays a timeline of California's major developmental service events and legislation.

Table 1.1 – Timeline of California Developmental Services Events and Legislation

1963	In California, six state institutions, later called "developmental centers", serve approximately 12,700 people with developmental disabilities
1964	At the urging of the California Association for the Retarded, the state Legislature appoints "A Study Commission on Mental Retardation."
1965	The report, "The Undeveloped Resource, a Plan for the Mentally Retarded of California," is submitted to the governor and the Legislature. The report calls for the state to accept responsibility for persons with developmental disabilities prior to state developmental center admission. Based on recommendations of the report, Assembly Bill (AB) 691 is enacted. The bill authorizes the establishment of two pilot regional centers. The initial budget for the two pilot regional centers is $966,386, serving 559 clients.
1969	The California State Employee's Association (CSEA) sues to halt the further developmental of regional centers, arguing that the state constitution requires these services to be provided by state employees. However, "A Proposal to Reorganize California's Fragmented System of Services to the Mentally Retarded" concludes that the pilot regional centers are successful and the model should be expanded statewide.
1969	Assemblymember Frank Lanterman introduces the Lanterman Mental Retardation Services Act (AB225), which extends the regional center network of services throughout California and establishes area boards for planning and monitoring services.
1973	The Lanterman Developmental Disabilities Services Act (AB846) proposes extending the regional center mandate to other developmental disabilities, including cerebral palsy, epilepsy, autism, and other neurological handicapping conditions closely related to mental retardation.
1976	*In the Matter of Andre Bisagna*, the California Supreme orders that, if a person is judicially committed to a state developmental center, that commitment order shall expire after one year. Regional Centers are to provide assessments of each person annually.
1977	The Lanterman Act is amended, affirming the right to treatment and habilitation services for individuals with developmental disabilities. It also establishes an individualized planning process to replace the traditional problem-oriented record. AB846 is passed.
1978	The Department of Developmental Services (DDS) is established as an independent agency.
1985	Serious state budget deficits cause DDS to reduce funding for regional centers, and in turn, cause some regional centers to implement cost-saving strategies, such as waiting lists and categorical cuts in services. In the *Association for Retarded Citizens v. California Department of Developmental Services et al.,* the California Supreme Court rules that the Lanterman Act, "defines a basic right and a corresponding basic obligation..." Services are to be determined through the individual program planning process and provided as an entitlement. The decision states that the regional centers have wide discretion in determining how to implement the IPP, but no discretion in determining whether to implement it. The Court also rules that this does not give regional centers the authority to overspend their budgets. If regional center budgets are not sufficient, DDS must inform the state legislature which must, in turn, either increase funding or statutorily change the entitlement.
1989	A Senate Resolution (SR9), authored by Senator Dan McCorquodale, results in statewide hearings that gather extensive testimony concerning the Lanterman Developmental Disabilities Services Act.

1992	Senate Bill (SB) 1383 (McCorquodale) makes significant changes to the Lanterman Act, updating the philosophy and expanding the range of services and supports available to clients and families. The value statements embrace the concept of "empowerment," giving clients and families more choice and more authority to make decisions about their own lives, but they also state explicitly that the changes do not constitute an expansion of the entitlement. The bill also requires that the DDS enter into five-year, performance-based contracts with regional centers.
1999	A report by the Bureau of State Audits required by the 1997-98 Budget Act concludes that the budget and allocation process used by DDS to fund regional centers does not ensure that clients throughout the state have equal access to needed services. The report concludes that the success of the system is undermined by insufficient state funding.
	(Frank D. Lanterman Regional Center, 2001)

In 1969, Assemblymember Frank D. Lanterman, proposed the Lanterman Mental Retardation Services Act (AB 225), which mandated that the state extend its services and supports for California's developmentally disabled individuals. In 1977, the California Legislature voted into law the Lanterman Developmental Disabilities Services Act (AB 846), also known as the Lanterman Act, which provided further extended services and supports, enabling Californians with developmental disabilities to live a more independent and normal life (Kemp, 2010). As outlined in California's Lanterman Developmental Disabilities Act, individuals with developmental disabilities in California have rights to the following: treatment and habilitation services and supports in the least restrictive environment; dignity, privacy, and humane care; participation in an appropriate program of publicly supported education, regardless of degree of disability; prompt medical care and treatment; religious freedom and practice; social interaction and participation in community activities; physical exercise and recreational opportunities; freedom from harm; freedom from hazardous procedures; and right to make choices (Welfare and Institutions Code section 4501, 1977). The Lanterman Act was meant to

extend "equal legal rights and responsibilities under state and federal law, while expanding and humanizing the range of services and assistance offered to them in their own communities by California's existing network of regional centers for people with developmental disabilities" (Kemp, 2010).

From 1975-1976, the Regional Center budget grew to $48 million, serving over 33,000 clients with developmental disabilities compared to the 13,000 clients served in 1963. Because of the vast size of the system, California created the Department of Developmental Services in 1978. The administration of the developmental service programs transferred from the very large State Department of Health to a much smaller state agency. Today, the California Department of Developmental Services is responsible for ensuring that approximately 250,000 persons with developmental disabilities receive the services and supports they require to lead more independent and productive lives (Association of Regional Center Agencies, 2010).

The Purpose of the Department of Developmental Services

The purpose of the Department of Developmental Services (DDS) is to ensure that individuals with developmental disabilities are able to obtain the services and supports needed to lead more independent and productive lives. In the 1985 court decision, *Association of Retarded Citizens – California et al., Plaintiffs and Respondents, v. Department of Developmental Services et al., Defendants*, the California Supreme Court ruled that the Lanterman Act was in fact an entitlement. This means that the Act defines a basic right and a corresponding basic obligation. "The right which it grants to the developmentally disabled person is to be provided with services that enable him to

live a more independent and productive life in the community; the obligation which it imposes on the state is to provide such services" (*Association for Retarded Citizens v. Department of Developmental Services*, 1985). As such, the DDS' mission specifically states that the DDS "is committed to providing leadership that results in quality services to the people of California and assures the opportunity for individuals with developmental disabilities to exercise their right to make choices" (Department of Developmental Services, 2010). The DDS does this by contracting with private facilities to provide services and supports to individuals with developmental disabilities, and by regulating those facilities to make sure that they are upholding the provisions of the Lanterman Act.

The DDS is able to provide services and supports to individuals with developmental disabilities in one of two ways: by allocating state-funds to one of 21 non-profit corporations known as regional centers, or by allocating state-funds to one of four state-operated developmental centers or one small state-operated community facility (Department of Developmental Services, 2010).

The Regional Centers are non-profit organizations contracted by the state to serve persons who meet California's definition of a developmental disability and all children under the age of three who are at risk of developing a disability. The Regional Centers act as an alternative to state institution placement, providing community-based, residential facilities to eligible individuals. Tasked with coordinating and developing services within the community for persons with developmental disabilities, the Regional Centers are responsible for "client assessment and diagnosis…case management, and the

coordination and purchase of various services, such as residential, supported living, and day program services" (Legislative Analyst's Office, 2003). The Regional Centers are also responsible for developing independent program plans (IPPs) for their clients. The IPP is what defines the entitlement of services for each individual. The services and supports listed in the IPP must be provided to the individual, as established in the Lanterman Act. The Regional Centers serve approximately 250,000 individuals with developmental disabilities.

In contrast, the state-operated institutions, also known as "developmental centers", and one small state-operated community facility provide 24-hour care and supervision to approximately 2,000 individuals with developmental disabilities. Admission to one of these facilities requires a court order and a referral from one of the 21 regional centers (Department of Developmental Services, 29 November 2010). The state-operated developmental centers act as licensed and certified Skilled Nursing Facilities, Intermediate Care Facilities/Mentally Retarded, and General Acute Care Hospitals. As Skilled Nursing Facilities, developmental centers provide constant nursing care to individuals who have significant deficiencies with major live activities. As Intermediate Care Facilities/Mentally Retarded (ICF/MR), the developmental centers provide services that are essentially medical in nature and close in form to the institutional models that were prevalent in the early 1970s. ICF/MR programs are funded as a federal Medicaid benefit. Additionally, as General Acute Care Hospitals, developmental centers provide medical and/or surgical services to developmentally disabled residents that seek care and treatment, regardless of the individuals' ability to

pay for the services (Centers for Medicare and Medicaid Services, 2010). In comparison, the small state-operated community facility handles behaviorally challenged clients needing special care.

State law mandates that California must provide every eligible individual with services and supports required to live an independent, productive life. Thus, the DDS is responsible for providing funding to the Regional Centers and state-operated facilities to make sure that these services are available to those in need.

Performance Contracts

Funding has increased drastically from the $48 million allotted to the DDS in 1975 to the approximately $4.9 billion allotted to the DDS in 2010. Compared to the 44,000 individuals that received services in the mid-1970s, currently California provides services to approximately 250,000 individuals. Many factors have contributed to this growth in funding and clients, from population growth to an increase in the number of individuals with developmental disabilities; however, the biggest contributor of growth to California's developmental disability services has been the establishment of the DDS' entitlement system.

In 1985, the California Supreme Court ruled that the Lanterman Act was an entitlement, meaning individuals must receive the services and supports that allow them to lead more independent and productive lives, as outlined in their IPPs. The Court also ruled that the DDS was responsible for providing those services. Throughout the years, however, caseloads and service needs have increased, causing budgetary needs to expand. A struggle exists between the Legislature and the DDS to meet the needs of clients, while

still practicing fiscal prudence in times of financial crisis. A ruling made by the California Supreme court in their 1985 decision broadened the conflict. The Court concluded that, "so long as funds remain, the right must be implemented in full; as soon as they are exhausted, it can no longer be implemented, but may be financed through an additional appropriation if the Legislature so chooses" (*Association of Retarded Citizens v. Department of Developmental Services*, 1985). This statement, in essence, allows the Legislature to limit the entitlement in times of fiscal crisis. Although funding is limited in these times of budget shortfall, the Legislature has not instructed the DDS to restrict services to individuals with developmental disabilities, thus the DDS and the Regional Centers have the extra responsibility of providing services to all individuals with developmental disabilities, while still staying within the confines of the budget.

To meet the State's budgetary requirements, the DDS and clients have worked together to discuss reasonable and generally acceptable solutions. California uses a method of budgetary reform called "unallocated reduction" with the DDS. This method requires that all regional centers prepare expenditure plans describing how they will reduce spending and still meet all the mandates of the Lanterman Act (Frank D. Lanterman Regional Center, 2010). This strategy allows collaboration between regional centers, clients, families, and service providers. The DDS seeks out feedback from clients in order to improve quality and efficiency of the service product delivered to clients.

Additionally, the DDS has developed regional center performance measures to assess how well the department executes its mission in conjunction with its overall

purpose. The DDS measures performance in the form of "performance contracts". The DDS established these contracts in order to better measure the outcomes of service delivery. The DDS seeks to answer the question "is anyone better off?" by thinking differently about how services are provided, funded, and evaluated (Department of Developmental Services, 2001).

In the early 1990s, the Senate Special Committee on Developmental Disabilities and Mental Health, chaired by Senator Dan McCorquodale, took a comprehensive look at the delivery of developmental services to clients. Senator McCorquodale established a committee in order to address the issue of providing services to all individuals with developmental disabilities, while still adhering to budgetary spending requirements. The committee held statewide hearings to gather extensive testimony concerning the Lanterman Act. The committee engaged individuals with developmental disabilities, their families, regional centers, and community service providers in discussions about the positives and negatives of the developmental delivery system. The committee's report, titled Senate Resolution (SR)-9, introduced a number of ideas for improvement, including developing performance measures to track regional center service delivery.

In 1993, Senator McCorquodale authored Senate Bill 1383, which required that the DDS enter into five-year, performance-based contracts with regional centers. This law was a system reform effort, to help establish a comprehensive performance-based system of accountability for regional centers. From it, regional centers were required to develop and achieve five-year goals and yearly objectives, with input from the developmentally disabled community. Beginning in just six regional centers, as a pilot

project, all 21 regional centers now participate in performance contracts (North Los Angeles County Regional Center, 2007).

Pursuant to Welfare and Institutions Code section 4629, "The contracts shall include a provision requiring each regional center to render services in accordance with applicable provision of state laws and regulations." The contracts include annual performance objectives that are specific and measurable. The objectives assist clients in achieving life quality outcomes, achieve meaningful progress above the current baselines, and develop services and supports identified as necessary to meet identified needs. Additionally, the regional centers must develop the performance objectives through a public process,

> providing information, in an understandable form, to the community about regional center services and supports, including budget information and baseline data on services and supports and regional center operations,…conducting a public meeting where participants can provide input on performance objectives and using focus groups or surveys to collect information from the community,…[and] circulating a draft of the performance objectives to the community for input prior to presentation at a regional center board meeting where additional public input will be taken and considered before adoption of the objectives" (Welfare and Institutions Code section 4629, 1993).

Based on the performance contracts developed since 1993, the performance contracts measure nine performance areas. The performance contracts also include public policy compliance measures, such as community living options, employment access, medical and dental service access, and audit accountability. Additionally, each year, the public suggests local outcomes for regional centers to include as part of the performance contract. Since 1993, however, each of the 21 regional centers'

performance contracts has been standard, measuring the same performance measures. At the end of each year, the DDS analyzes information from the performance contracts and compiles the data, using a statewide database. The DDS produces a year-end report summarizing the results of that year's performance contracts.

Thesis Outline

This thesis seeks to answer multiple questions, regarding the Department of Developmental Services performance contracts. First, what is the Department of Developmental Services currently measuring in its performance contracts? Second, what do the existing measures tell the reader about how well the department is performing? Lastly, are there any performance measures that the department should be measuring that it is not? These three questions will help me determine if the Department of Developmental Services' performance contracts are adequately measuring how well the Regional Centers are achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement service system.

In the Introduction of this thesis, I provided a background of the history and progress of the DDS and how services and supports are provided to individuals with developmental disabilities. The Lanterman Act distinguished California as the first, and only, state to provide services and supports to individuals as an entitlement right. Based on this system, California faces the ever-changing problem of continuing to provide services to individuals with developmental disabilities, as required by law. In the Introduction, I also described performance measures that the DDS uses to track

information regarding the success of meeting its departmental purpose and goals. For this thesis, those performance measures will be reviewed and analyzed.

In Chapter 2 of this thesis, I will conduct a literature review of past research and academic literature regarding performance measures and standards for determining if performance measurement is an effective tool for an organization to use to achieve its goals. In Chapter 3, the Methodology Section, I will describe the methods I will use to analyze DDS' performance contracts. I will use previous literature to develop a set of criteria to measure the adequacy of DDS' performance contracts in relation to the Lanterman Act.

In Chapter 4, Results, I will take the criteria set forth in Chapter 3 and use it to analyze the DDS performance contracts in place for the year 2009. I will describe the measures that the DDS currently uses to assess the department's performance, determine how the department is performing based on the existing measures, and address the appropriateness and quality of the existing measures used by the DDS. I will analyze the performance measures used in the DDS' performance contracts, and conclude if these measures are adequately measuring how well the DDS is achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement system. Lastly, in Chapter 5, Conclusion, I will explain my findings. I will also provide policy recommendations for future performance contracts and my rationale for such recommendations.

Chapter 2

LITERATURE REVIEW

The past three decades have seen a significant increase of individuals with developmental disabilities moving from large institutional settings into smaller residential settings (Wong & Stanhope, 2009). As Wong and Stanhope suggest, "such increase is attributable to legal challenges to institutional arrangements, active lobbying by parents of persons with developmental disabilities, and legislation providing financial incentives for states to render care in less restrictive settings" (2009). Making the move, from larger state institutions to smaller residential settings, stems in large part from Wolf Wolfensberger's "normalization principle", which states that individuals must be integrated into culturally normative settings and given every opportunity to pursue socially valued roles and activities (Wong & Stanhope, 2009). "The once widely held view that these individuals were a burden and needed to be segregated and medically treated has been largely replaced by an affirmation of the civil rights of people with disabilities and their entitlement to human treatment" (Parish & Lutwick, 2005).

California is the only state in which an individual with a developmental disability has an entitlement, "or a categorical right, to services, once eligibility is established. While other states can limit services or cap expenditures for services to individuals with developmental disabilities, by law, California cannot" (Allenby et al., 2002, p.4). The Lanterman Developmental Disabilities Act mandates that:

> The State of California accepts a responsibility for persons with developmental disabilities and an obligation to them which it must discharge. Affecting hundreds of thousands of children and adults

> directly, and having an important impact on the lives of their families, neighbors, and whole communities, developmental disabilities present social, medical, economic and legal problems of extreme importance (Welfare and Institutions Code section 4501, 1977).

When it comes to developmental disability services, no state is comparable to California in the services and supports it provides to its residents with developmental disabilities.

Because of this, academic research does not offer much background or scrutiny on the effectiveness, for individuals with developmental disabilities, of an entitlement system. Research, however, does indicate usefulness for performance measurement in public organizations; and more specifically, usefulness for performance measurement in determining the effectiveness of entitlement programs in the federal government. For example, the federal government has measured Medicare and Medicaid entitlement services largely in the United States. The Centers for Medicare & Medicaid Services (CMS) is responsible for assisting medical care providers in improving quality and value in the United States Medicare and Medicaid systems. The literature indicates that because of Executive Order 13410, the CMS measures and makes available results on the quality of health care delivery (Centers for Medicare and Medicaid Services, 2010). Research suggests that organizations use performance measurement to determine the efficiency, effectiveness, and accountability of organizations that provide entitlement services, and that performance measurement possibly leads to improved quality care.

In this literature review, I provide a background of performance measurement in public organizations, and I address the challenges that public organizations face when applying performance measurement. In addition, I discuss how the CMS has used

performance measurement to determine the effectiveness, efficiency, and accountability of an entitlement program. Lastly, I provide techniques for successfully applying performance measures to public organizations.

Performance Measurement in Public Organizations

The literature calls performance measurement by a number of different names: results-driven government, performance-based management, governing for results, performance-based budgeting, outcome-oriented management, reinventing government, the new public management, and marketization (Aucoin, 1998; Kettl, 1997). Whatever a research calls it, the literature suggests that the same purpose motivates all performance measurement: "to improve the performance of public agencies; to enhance the results and value produced by government" (Behn, 2002, p.6).

Performance measurement management is not a recent phenomenon; it has been around for over 100 years. The concept became prevalent in public management, however, in the 1970s and 1980s with the introduction of New Public Management. The core idea of New Public Management is that market orientation in the public sector will lead to better outcomes for governments, without influencing or interfering with other objectives or considerations of government administration (Carlson et al., 2010; Wholey, 1983). Peter Drucker, an advocate of New Public Management, asserted that every public agency should "define objectives, set priorities, define measures and targets; assess performance and results; use results to improve performance; and abandon unproductive activities (Carlson et al., 2010; Wholey, 1983). He also stated, "you can't

manage what you don't measure, and what you don't manage doesn't get done" (U.S. Department of Housing and Urban Development, 2003).

Performance measurement is a process by which public entities are able to determine how well they are meeting organizational goals and objectives by measuring their activities against a set of established criteria (Rainey, 2003, p. 129). The objective of performance measurement is to move government from process-oriented and rule-driven management to performance oriented and results-driven management. The current literature emphasizes three main goals as desirable outcomes for all public agencies in performance management: accountability, efficiency, and effectiveness (Behn, 2002; Carlson et al., 2010; Cunningham & Harris, 2005; Smith et al., 2008; Taylor, 2009). Accountability refers to the organization's responsibility to the public to provide the service outlined in the organization's mission; effectiveness refers to the extent to which the organization meets the performance measure; and efficiency is a measure of how economically the organization utilizes its resources when providing a service (Neely et al, 1995, p.80).

The literature suggests that the key to assessing organizational accountability, efficiency, and effectiveness is measuring the right things. Performance measurement should capture the most important aspects of an organization's mission and goals. Adequate performance measurement should: "1) include both performance measures and targets; 2) focus on outcomes, but use outputs when necessary; and 3) include both annual and long-term measures and targets" (Office of Management and Budget, 2003). As indicated by the United States Office of Management and Budget, good performance

measures not only emphasize the organization's mission and goals, but also are politically feasible, help government make budgetary decisions, provide clarity to the public of what goals are being met, and provide for collaboration between agencies and related organizations and clients (Office of Management and Budget, 2003).

Furthermore, the literature discusses the reasons why performance measurement is important. First, performance measurement management can assist an organization in determining the appropriate use of funding and resources. "By using performance measurement to evaluate an agency's productivity and effectiveness, managers are better able to target funds to activities that have the most impact, thereby stretching [the organization's] dollars to assist more [clients]" (U.S. Department of Housing and Urban Development, 2003). Additionally, performance measurement can lead to better decisions about an organization's program design and implementation. Furthermore, performance measurement provides a systematic approach for reporting data to the public, in order to communicate accomplishments and build support for the organization.

Advocates of performance-based management suggest that performance measurements, "have promised that more sophisticated measurement systems will undergird management processes, better inform resource allocation decisions, enhance legislative oversight, and increase accountability" (Ammons, 1995, p.37). In theory, performance measurement provides a public organization with many opportunities for success. Theory and practice, however, are not always one in the same. In order to reach its goals, a public organization must be aware of the possible challenges associated with performance measurement.

Challenges of Performance Measurement

While very popular throughout the 1980s, scholars today are not too eager to embrace New Public Management as the ultimate management model, without a few caveats (Carlson et al., 2010; Dunleavy, Margetts, Bastow, & Tinkler, 2005). In his article, "The psychological barriers to performance management: Or why isn't everyone jumping on the performance-management bandwagon?" Robert D. Behn suggests that the use of performance measurement may "live more in rhetoric than reality" (2002). Government management is not always ready to accept performance measurement into everyday administrative functions.

As Behn suggests, there are practical, political, managerial, personal psychological, and societal psychological reasons why performance measurement is very different in practice than it is in theory. From a practical standpoint, performance measures do not work. Much of the literature criticizes the use of performance measurement, saying that the benefits of performance measures do not usually outweigh the costs and that the outcomes of performance measures do not usually make government agencies any better off. From a political standpoint, performance measures do not help candidates win elections. Politicians do not campaign on ideas of improving the administrative functions of government; they campaign on big ideas and major changes, so why would politicians support the use of performance measures? Often, the intention of public agencies' performance measures is not radical reform; the intention of performance measurement is gradual and systemic improvements of government accountability. From a managerial standpoint, performance measures are difficult to

enact in the administrative setting. Managers have the complicated task of enforcing performance measures within the confines of the government's laws and rules (Behn, 2002). In addition, there is the added pressure of lack of resources and/or lack of support from top management (Smith et al., 2008). Due to practical, political, and managerial issues, government agencies are distrustful of the use of performance measurement in management.

Furthermore, psychological factors play a large role in why the public does not embrace performance measurement. Performance measures cause both personal and societal fear. One fear is that of the media. What will the media do with the information collected through performance measurement? How will the media convey the message to the public? (Smith et al., 2008) Additionally, "[p]erformance management requires a variety of people—from the leaders of a public agency to legislators and citizens—to think differently about the overall responsibilities of government, about the responsibilities of individual public employees and teams of employees, about the responsibilities of each of the three branches of government, and about the responsibilities of citizens" (Behn, 2002, p.9). Performance measurement may require the public and the legislature to change their worldview of performance measurement.

To overcome the fear associated with performance measures, Behn states that a complete "mental reorientation" is required. The public, legislators, and government management, must reorient the way they think about performance. The literature suggests that government's current way of thinking about performance measures is ineffective. Governments tend to place more emphasis on measureable outputs, rather

than on desirable outcomes. As defined by the Office of Management and Budget, a program or organization produces outputs, which are goods and services provided to the public or others. Outcomes "describe the intended result or consequence that will occur from carrying out a program or activity" (Office of Management and Budget, 2003). While performance measures should distinguish between outputs and outcomes, "there should be a logical connection between them, with outputs supporting outcomes in a logical fashion" (Office of Management and Budget, 2003). Outcomes are much more meaningful to the public, as they relate to the specific people receiving the government's service. However, outcomes are difficult to measure and are unpredictable. Government agencies hold concerns about accountability for outcomes that they cannot control (Cunningham & Harris, 2005, p.31). Additionally, it is much easier for an agency to measure quantifiable data, instead of developing quality measurements that evaluate how well government is meeting its goals and objectives (Behn, 2002).

The DDS provides a real world example of Behn's advice of "mental reorientation". In 2001, the DDS established a Service Delivery Reform Committee to determine what reforms were required in order to provide adequate services under the provisions of the Lanterman Act. The Committee found that it is easy to measure the quantity of services provided—for example, the DDS can count how many individuals with developmental disabilities receive services from the regional centers—but it is not so easy to measure the quality of services provided. Over the past five decades, the DDS' performance has been measured by assessing only quantity, rather than both quantity and quality. The Committee found that the DDS needs quality assurance measurements in

order to assess how well regional centers adhere to laws and regulations. For example, in addition to "counting the number of clients receiving the services of a behavior management program, and that program's compliance with law and statute, we also need to ask whether clients being supported in a behavior management program are evidencing fewer behavior challenges" (Department of Developmental Services, 2001). The Committee recommended a more outcomes-based service delivery system with quality-assurance performance measures because outcome-based measures assist the DDS in assessing accountability, efficiency, and effectiveness (Cunningham & Harris, 2005, p.31). Quality performance measures make service delivery providers, the regional centers, and the DDS more accountable to the clients for the public policy outcomes and personal outcomes related to the Lanterman Act. Using a similar mindset, the DDS and the state of California could use performance measurement to develop efficient, cost-reducing methods for delivery services to eligible individuals.

Entitlement and Performance Measurement

While no researcher has conducted a study regarding performance measurement and developmental services entitlement systems specifically, researchers have conducted studies regarding performance measurement in other entitlement system areas. One prevalent field of study is that of Medicaid and Medicare. Both federal entitlement services, the United States government is responsible for being accountable to the recipients of these two services. Additionally, the federal government allocates billions of dollars each year to Medicaid and Medicare services. These two programs are

important to the federal economy, and as such, quality performance is essential to the agencies that run these programs.

The Centers for Medicare & Medicaid Services (CMS), as briefly described above, is a federal agency within the United States Department of Health and Human Services; this agency administers Medicare and works in conjunction with state governments to administer Medicaid. The organization holds a great responsibility in delivering entitlement services to individuals in need. The organization is accountable to its clients; it is also accountable to the federal government in ensuring that it provides services in an efficient and effective manner. As a result, the federal government has tasked the CMS with measuring and making available performance data, which measures quality health care and delivery (2010). The government asks the question, if we do not know what is wrong with the current health care system, how can we improve it? To answer that question, "we must have reliable and valid tools for measuring quality, appropriate data to which such tools can be applied, adequate mechanisms for disseminating the results to those who can act on the information, and proper incentives in place to reward those who strive to improve quality and related health outcomes" (Leatherman et al., 2003).

In 2005, the CMS asked several medical specialty societies to participate in quality measure development for inclusion in their Medicare's Physician Quality Reporting System. The CMS designed this system as a voluntary program, which offers incentives to physicians who perform and report quality measures. The performance measures, as determined by the CMS, elicit data for such topics as breast cancer

screening, LDL testing for diabetics, retinal eye exam for diabetics, colorectal cancer screening, anti-depressant medication management, and beta-blocker treatment after heart attack, among other things (Centers for Medicare and Medicaid Services, 2010).

Researchers have mixed feelings when advocating for the use of performance measurement in Medicare and Medicaid programs (Leatherman et al., 2003; Bundorf et al., 2008). Studies have indicated limited evidence that performance measurement and reporting can improve quality in health care entitlement delivery services. This may be due to having wrong performance measures or the wrong accountability system (Leatherman et al., 2003; Bundorf et al., 2008). In a study conducted regarding quality reporting for Medicare managed care plans, Bundorf et al. discovered that measured services increased among managed care plan recipients and fee-for-service recipients after the implementation of performance measurement; however, results did not indicate that quality of care increased for any of the Medicare recipients due to performance measurement (2008).

Other studies suggest that Medicare and Medicaid programs should stop looking at performance measurement as an end, but rather a means to an end. The CMS should focus its attention and resources on quality measures not because it will automatically lead to increases in quality of care, but because it will cultivate a culture that promotes quality of care as an organizational goal and dedicates time and money to achieve it. Leatherman et al. provide a number of recommendations for health care providers using performance measurement in their organizations. "Substantial advances have been made in the science of measurement and reporting but important gaps remain, specifically in

(1) measurement methods and tools, (2) uses of quality performance data, (3) organizational and cultural factors, (4) information and informatics, and (5) impact evaluation/research" (Leatherman et al., 2003).

Successfully Applying Performance Measurement in Organizations

Performance measurement is not an end in itself and may not directly lead to more effective governmental organizations. Cunningham and Harris indicate, "Many advocates of performance reporting in governments seemingly have a traditional and somewhat stereotypical view that performance-reporting systems are external to the organization and serve an enabling function, facilitating rational decision-making. These beliefs reflect these advocates' notions that performance reporting *per se* leads directly and quickly to accountability and thus efficiency and effectiveness of governments" (2005, p.39).

Research suggests that the idea of performance measurement, itself, may not cause improved effectiveness in government agencies, but the idea of performance measurement can influence the behavior and processes of the organization. In the article, "Why Measure Performance? Different Purposes Require Different Measures", Robert D. Behn includes eight purposes that public managers have for measuring performance: evaluating; controlling; budgeting; motivating; promoting; celebrating; learning; and improving (2003). Public agencies seek to answer questions, such as how well is my public organization performing; what should my organization spend money on; how can I convince political superiors, legislators, clients, journalists, and citizens that my organization is doing a good job; or what exactly should the organization do differently to

improve performance? (Behn, 2003, p.588). There is no one best performance measurement; however, if public managers know the purpose and the relative context for the measurement, performance measurement can change the culture of an agency and the way that it functions.

The literature further suggests that the ability to foster communication between government agencies and their clients is an important outcome of performance measurement. Performance measurement provides for positive learning. This learning allows organizations to open up to new, creative ideas that may not have seemed plausible before performance measurements. Experimentation and evolution are important in developing performance measures (Cunningham & Harris, 2005). Additionally, as agencies become more comfortable with the idea of performance measurements, they are able to shift away from purely quantity data toward more quality data, measuring the outcomes of government programs.

In studies of performance measurement throughout the nation and the world, research suggests that one state is conducting performance measures successfully (Carlson et al., 2010; Cunningham & Harris 2005; Smith et al., 2008). The literature establishes Oregon as the one state that has been able to implement performance measurement with positive outcomes. Oregon has achieved success with performance measurement because of the state's ability to report their measures to the public, which in turn fosters communication between the government and its clients. Oregon's policies and procedures are consistent with New Public Management's philosophy: "making

government more entrepreneurial, outcome oriented, and adaptable like private business" (Carlson et al., 2010, p.647).

AGA Study

Smith et al. from the Association of Government Accountants (AGA) conducted a study of all 50 states and their performance measures in the areas of education, human services, prisons, and transportation. The results of the study found that quality performance measurement reporting is limited to very few departments scattered across the nation, and "only [Oregon] has consistently good reports in the four state departments…reviewed" (Smith et al., 2008). The study used state data measured against the Governmental Accounting Standards Board's (GASB) "suggested criteria for effective communication", which the GASB established for state and local governments to aid in developing and analyzing performance measures. The AGA collected information to determine which agencies are successfully implementing the suggested criteria and to set future guidelines for quality performance measures (Smith et al., 2008).

The AGA measured 16 criteria, which included purpose and scope; statement of major goals and objectives; involvement in establishing goals and objectives; multiple levels of reporting; analysis of results and challenges; focus on key measures; reliable information; relevant measures of results; resources used and efficiency; citizen and customer perceptions; comparisons for assessing performance; factors affecting results; aggregation and disaggregating of information; consistency; easy to find and access and easy to understand; and regular and timely reporting (Smith et al., 2008, p.46). The AGA analyzed the items to determine how well the agency informed the public on performance

measurement. Whether or not the state or local agency met its goals and objectives with the performance measures were not included. Smith et al. used the 16 criteria, along with a set of pre-determined rating criteria to determine performance measurement reporting "scores" for state and local agencies (Advancing Government Accountability, 2003).

The study found that, besides Oregon, most states were not effectively informing the public of their performance measures, as set forth in the guidelines of the GASB's criteria. The AGA found that while GASB's criteria are very easy to understand and practical for governments to use, the problem was actually in the reporting of the performance measures. Smith et al. stated that most state and local agencies have all the appropriate data; they just do not know how to present it to the public in a meaningful way. "After all, neither the act of measuring performance nor the resulting data accomplishes anything itself; only when someone uses these measures in some way do they accomplish something" (Behn, 2003, p.586). Data is of little use to public managers and government agencies if they do not know what to do with the information.

While many states were unsuccessful in their attempts at performance measurement, the AGA was very optimistic about performance measurement in state and local government. The AGA concluded with two recommendations for future performance measurement: 1) make performance measurement reports easy to locate on the agency website; and 2) attempt to address each of GASB's criteria.

Other Techniques for Success

Research suggests that using frameworks to develop performance measurements may assist public organizations in overcoming some of the challenges of performance

measurement management. Government agencies may want to borrow the Balanced Scorecard framework from the private industry. The Balanced Scorecard is a widely adopted performance measurement framework first introduced by Kaplan and Norton in 1992. The Balanced Scorecard framework consists of four perspectives: learning and growth perspective; internal process perspective; customer perspective; and financial perspective (Kaplan & Norton, 1992). The learning and growth perspective measures how well an organization and its employees adapt to change. The internal perspective measures the processes of an organization, such as innovation, customer management, operations, and regulations and environment. The customer perspective measures customer satisfaction and the outcomes associated with delivering a product. The financial perspective measures return-on-capital, cash flow, forecast reliability, and profitability (Huang et al., 2011). The Balanced Scorecard framework provides for a view of the organization's overall performance. When implementing the Balanced Scorecard framework, "organizations seek to translate their vision into operational goals, communicate their vision and link it to individual performance, plan their businesses, and receive feedbacks and learn from their underlying operational activities then adjusting their strategy accordingly" (Jassbi et al., 2011).

Conclusion

Cunningham and Harris state that "there is indeed reason for optimism about the ability of performance reporting systems to achieve accountability and effectiveness in government entities, but the process is much more complex and not so immediate as many advocates would suggest" (2005, p.42). Ideally, to make performance

measurements most successful, government agencies must institutionalize performance measurements into public management systems, involving all branches of the government.

In an attempt to do just that, the State of California has mandated the use of "performance contracts" to establish a comprehensive performance-based system of accountability for regional centers. The DDS established performance measures to bring about more accountability from the DDS and the Regional Centers, to make providing services more efficient, and to make the entitlement service more effective.

While more individuals with developmental disabilities now have the legal right to an array of government support services, the need for care for the developmentally disabled exceeds the services available in each state. Even with providing individuals with entitlement to the Lanterman Act's unalienable rights, California still trails a majority of the nation in funding for developmentally disabled residents. California ranked number 37 among states, in the year 2002, in financial commitment to residents with developmental disabilities (Braddock & Hemp, 2004, p.3). Providing adequate services to individuals with developmental disabilities has continued to prove difficult with funding cuts for services and supports due to budget constraints and economic crisis. Fulfilling unmet needs remains a difficult task. "Family members who attempt to secure services are frustrated by a lack of services, lengthy waiting periods, and bureaucracies that are difficult to navigate" (Parish & Lutwick, 2005).

Research (e.g. Moss et al., 2008; Parish & Lutwick, 2005; Foster, 2002; Dusansky & Wilson, 1994; Pollack et al., 1994; Weller, 1991) indicates that providing services to

individuals with developmental disabilities will become harder and harder in the upcoming years. Currently, in California, the government allots $4.9 billion in funding to the DDS, in order to provide services to approximately 250,000 individuals. Parish and Lutwick propose that "factors, such as limited existing long-term care resources, increased life expectancy for people with developmental disabilities, changing family demographics, legal actions, and competition for resources with the elderly population are driving [a] crisis" (2005). Moss et al. emphasize that due to changes made within the social services system, individuals with developmental disabilities face significant difficulties when trying to access appropriate health care and social services. Although health care services and technology continue to improve, escalating costs and limited access is the primary focus behind problems for the developmental disabilities service system in the United States (Pollack et. al., 1994).

In the face of an impending crisis, the California legislature has the option to limit the developmental services entitlement to its clients. To date, however, the Legislature has simply charged the DDS and the Regional Centers with the difficult task of providing services to individuals with developmental disabilities, while still staying within the confines of the budget. The key to addressing economic downturn and the impending fiscal crisis may just be performance measurement. Performance measurement may help the DDS by informing the department of how well services are meeting the needs of its clients. In addition, performance measurement may assist the DDS in using available data to improve developmental services and use funding resources more precisely. The DDS can work together with the regional centers, service provides, and its clients to

develop politically and economically feasible, creative solutions. Performance measurement may make the DDS more efficient, effective, and accountable to the clients it serves, as well as the legislature and greater California public.

Chapter 3

METHODOLOGY

The primary purpose of this study is to determine if the DDS' performance contracts are adequately measuring how well the Regional Centers are achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement system. This thesis seeks to answer multiple questions, regarding the Department of Developmental Services performance contracts. First, what is the Department of Developmental Services currently measuring in its performance contracts? Second, what do the existing measures tell the reader about how well the department is performing? Lastly, are there any performance measures that the department should be measuring that it is not?

California is the only state in which a developmental services entitlement system exists, so there are no previous studies to show how a state can effectively measure the performance of this particular mandated service. The goal of the study is to provide an assessment of the measures used by DDS in the performance contracts.

2009 Performance Contracts

The 2009 performance contracts of all 21 Regional Centers will be the unit of analysis for this study. I will use information from both the performance contracts and the 2009 Regional Center Year-End Reports.

As Robert D. Behn suggested in the literature, there are eight reasons that organizations measure performance: evaluating; controlling; budgeting; motivating; promoting; celebrating; learning; and improving (2003). In the case of the DDS, the

organization's performance measurement goal is to evaluate how well the DDS is performing. To evaluate performance effectively, an organization must understand the mission and objectives that it is trying to achieve. As Hal G. Rainey states, "this concentration on goals and performance measures involves interesting basic assumptions. It assumes that public organizations will perform better if the people in them clarify their goals and measure progress against them" (2003, p.129). In the case of the DDS, adherence to the Lanterman Act is the ultimate mission of the organization. The Lanterman Act establishes an entitlement system for individuals with developmental disabilities, meaning that individuals must receive the services and supports that allow them to lead more independent and productive lives. In addition, the DDS must provide these services and supports within the confines of the department's budget. As economic downturn and budget constraints become a growing problem in California, the DDS must continue to monitor its effectiveness in meeting the goals of the Lanterman Act. Performance measures indicate to the public whether the DDS is able to provide the entitlement and adhere to the law.

As such, the performance contracts measure nine public policy measures, as agreed upon by the DDS, the Regional Centers, and the public. The DDS has determined that these nine measures are specific, measurable, and designed to assist clients in achieving life quality outcomes, achieving meaningful progress above the current baselines, and developing services and supports identified as necessary to meet identified needs. Welfare and Institutions Code section 4629 establishes the performance contracts (1993).

I have listed the nine performance measures in Table 3.1, along with the standard by which the DDS evaluates the Regional Center data in the table. I have also listed what goals the measure is theoretically trying to achieve. As discussed in the Literature Review, accountability refers to the organization's responsibility to the public to provide the service outlined in the organization's mission; effectiveness refers to the extent to which the organization meets the performance measure; and efficiency is a measure of how economically the organization utilizes its resources when providing a service.

Table 3.1 - Nine Performance Measures

	Measure	How Measure is Evaluated	Goal Measure is Trying to Achieve
1	Regional Center caseload in state developmental centers	Lower is better	Less individuals living in state developmental centers, more living in independent settings
2	Minors living with families	Higher is better	More minors living in familial settings, more natural environments
3	Adults living in home settings	Higher is better	More adults living in familial settings, more natural environments
4	Adults living in home settings (focus on supported living)	Higher is better	More adults living in independent settings
5	Adults living in home settings (focus on adult family home agency homes)	Higher is better	More adults living in independent settings
6	Adults living in family homes (home of parent or guardian)	Higher is better	More adults living in familial settings, more natural environments
7	Adults living in home settings (focus on independent living)	Higher is better	More adults living in independent settings
8	Minors living in facilities serving greater than 6 people	Lower is better	Less individuals living in large facilities, more living in independent settings
9	Adults living in facilities serving greater than 6 people	Lower is better	Less individuals living in large facilities, more living in independent settings

(Alta California Regional Center, 2008)

In addition to the nine performance measures, listed above, the performance contracts include public policy compliance measures, such as community living options, employment access, medical and dental service access, and audit accountability. The organizational performance data is broken down into two categories: statewide items applicable to all Regional Centers; and local items developed by a specific regional center that is unique to that Regional Center.

The 2009 Regional Center performance contracts possess two variables used for measurement evaluation: organizational performance data; and a benchmark that creates a framework for analyzing the data (Department of Developmental Services, 29 June 2010). These two variables—organizational performance data and a benchmark that creates a framework for analyzing the data—if used properly, can produce information about the Regional Centers' performance. By performance contract standards, a regional center has successfully achieved an item upon demonstrating the following:

> **Statewide indicator**: When any one of the following three criteria is met for the respective outcome:
> 1. The outcome has improved over the prior year's baseline, or
> 2. The performance exceeds the statewide average, or
> 3. The performance equals a standard that has been defined by the Department.
>
> **Local indicator:** When the outcome reflects progress over the prior year's performance (baseline). The outcome must be related to a positive impact on clients and/or families and not be included in the statewide measures above, e.g., increased presence of natural supports, persons with foster grandparents, etc.
>
> (Department of Developmental Services, 29 June 2010)

The Regional Centers develop the performance contracts through a public process, whereby the local community has the opportunity to provide input for performance measures through public meetings and regional center surveys. Once measures are developed, the Regional Centers must circulate a draft of the contract to the community with the relative laws and rules that guide the performance measures; the DDS must give the public an opportunity to provide input regarding the draft. After public feedback, the Regional Centers must submit their final performance contracts to the DDS by November of the previous year (i.e. November 1, 2008, for the 2009 Performance Contracts). The Regional Centers must also submit a year-end report regarding those performance contracts by the first of the year following the performance contract (i.e. January 1, 2010). In the Year-End Report, the Regional Centers are responsible for providing any locally developed public policy outcomes and associated performance data, by which the Regional Center can assess progress. The Regional Center must specify how it measured the performance data. The DDS reviews the Year-End Reports and inserts its own data to produce a more thorough report.

Performance Measurement and the Lanterman Act

As described in the Literature Review, the literature argues that a government agency should derive performance measures from the organization's mission and strategic plan (Neely et al., 94, 1995). This is because the intent of performance measurement is to show how effectively an organization is meeting its goals and objectives. In the case of the DDS, this means that the DDS should derive its performance measures from the department's purpose of entitling services to individuals

with developmental disabilities. The performance measures should reflect the goals and objectives set forth in the Lanterman Act.

As discussed in the Introduction, the Lanterman Act provides the following mandatory rights to individuals with developmental disabilities: 1) treatment, services and supports in natural community settings; 2) participation in an appropriate program of publicly supported education regardless of the degree of disability; 3) prompt medical care and treatment; 4) freedom of religion and conscience, and freedom to practice religion; 5) social interaction and participation in community activities; 6) physical exercise and recreation; 7) freedom from harm, including unnecessary physical restraints, isolation, excessive medication, abuse or neglect; 8) freedom from hazardous procedures; and 9) choices in one's own life, including where and with whom one chooses to live, their relationships with people in their community, the way they spend their time, including education, employment, and leisure, the pursuit of their personal future, and program planning and implementation (Welfare and Institutions Code section 4500 et seq.).

Based on the argument that the DDS should derive its performance measures from the department's mission, the DDS should link its performance contract measures back to these nine mandatory rights. I will use these nine mandatory rights when reviewing the 2009 Regional Center Performance Contracts. In Chapter 4, the Findings section of this thesis, I will present an in-depth analysis of the DDS' current performance contract measures (listed in Table 3.1) and what performance goals these measures are trying to achieve in conjunction with the nine mandatory rights of the Lanterman Act. I will

provide analysis as to whether or not the department is meeting its performance goal, as set out by the performance measure. In addition, I will determine if the DDS is not measuring any of the above listed rights in the current performance contracts. This analysis should provide insight into the effectiveness of the performance contracts in measuring the goals and objectives of the DDS.

Chapter 4

FINDINGS

This chapter presents the results of the 21 Regional Centers' performance contracts for the year 2009. This chapter will describe each performance measure and determine which mandatory right of the Lanterman Act that the DDS is evaluating with that measure. In addition, this chapter will determine if the DDS is meeting its performance goals based on the data results provided in the performance contracts. In the Conclusion, Chapter 5, I will determine if the DDS is failing to measure any of the mandatory rights of the Lanterman Act. I will provide an answer to the question: are the Department of Developmental Services' performance contracts adequately measuring how well the Regional Centers are achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement service system?

As indicated in Chapter 3, the Regional Centers' performance contracts measure nine public policy measures, as designed with the assistance of the clients and the public from the immediate-surrounding community. The performance contracts also include public policy compliance measures, such as community living options, employment access, medical and dental service access, and audit accountability. Each year, the Regional Centers give the public the opportunity to suggest local outcomes for regional centers to include as part of the performance contract. The findings below come from the 2009 performance contracts and Year-End Reports.

The data in Table 4.1 displays the state averages for the nine public policy measures of the Regional Center performance contracts. I combined Measures Three,

Four, Five, Six, and Seven in the table under "More adults living in home settings." In the analysis provided below the table, I discuss each performance measure and relate the measure to the appropriate mandatory right granted by the Lanterman Act. I also discuss whether the DDS is meeting its performance objectives based on the performance contract criteria of comparing the statewide average to the individual regional center data of 2009, or comparing the individual regional center data of 2009 to the previous year's data of 2008. If the data for the year shows that the performance measure is higher or lower (see Table 3.1) compared to its prior year's baseline, or the performance exceeds the statewide average, then the Regional Center has met its goal for the year.

Table 4.1 – State Averages of Nine Performance Measures

Regional Center Goals (based on Lanterman Act)	**December 2008** State Average	**December 2009**
Less individuals live in developmental centers	1.03%	0.91%
More children live with families	98.38%	98.48%
More adults live in home settings*	72.25%	73.20%
Less children live in large facilities (more than than 6 people)	0.14%	0.13%
Less adults live in large facilities (more than 6 people)	4.55%	4.10%

**Home settings include: independent living, supported living, Adult Family Home Agency homes, and clients' family homes.*

(Alta California Regional Center, 2010)

Measure One:

Measure One of the performance contract is to "decrease the number and percent of the regional center's caseload that live in a state developmental center". This performance measure determines the number of individuals that moved from a state developmental center into a less restrictive community environment in the year 2009. According to the performance contracts, regional centers use the data collected from

Measure One to become more accountable to individuals wishing to move out of state developmental centers into less restrictive settings. Measure One informs the public of how many individuals were able to move to more natural community living situations, which measures a portion of the mandatory right of treatment, services, and supports in a natural community setting. The measure does not provide any specific information on how many of the individuals were able to choose where they wanted to live, but based on the history of developmental services in California, it would seem that moving out of a state developmental center into the community is giving an individual the right to chose somewhere less restrictive to live. Therefore, Measure One is derived from the Lanterman Act's mandatory right to "treatment, services, and supports in natural community settings," and to "choices in one's own life, including where and with whom one chooses to live." The DDS measures the data to determine which regional center met its goal in the year 2009.

Regional centers also use the data collected from Measure One to determine how effectively they are performing this mandatory right. If the data for the year shows that the number of individuals living in a state developmental center has decreased compared to its prior year's baseline, or the performance exceeds the statewide average, then the Regional Center has met its goal for the year. In 2009, only one regional center was unable to lower its number of individuals compared to its December 2008 baseline data. That Regional Center, however, was still able to produce lower numbers than that of the statewide average. In December 2009, the statewide average for individuals living in state developmental centers was 0.91%. For 12 out of 21 Regional Centers, the number

of individuals living in state developmental centers was less than the state average of 0.91% of total individuals. Based on the results of this measurement, every regional center was successful in moving individuals with developmental disabilities out of state developmental centers and into less restrictive housing.

Measure Two:

Measure Two of the performance contract is to "increase the number and percent of minors living with families (includes living with own family, with foster family, or with guardian)". This performance measure determines the number of minors that lived with a family in the year 2009. Measure Two informs the public of how many minors live in a family home, which is a measure of how many individuals under the age of 18 live in a natural community setting. Therefore, Measure Two is derived from the Lanterman Act's mandatory right to "treatment, services, and supports in natural community settings." According to the performance contracts, regional centers use the data collected from Measure Two to become more accountable to families that have taken on the responsibility of caring for minors with developmental disabilities. Additionally, regional centers use the data collected from Measure Two to inform the DDS that regional centers are efficiently providing living arrangements to minors in cost-saving ways, such as through a family. As the Alta Regional Center's performance contract states, in the upcoming year, the Regional Center plans to "maximize the use of community resources that provide supports to families to assist them in maintaining their children at home" (Alta Regional Center, 2008, p.1).

Regional centers also use the data collected from Measure Two to determine how effectively they are performing this mandatory right. In December 2009, the statewide average for minors living with families was 98.48%. For 11 out of 21 Regional Centers, the number of minors living with families was more than the state average of 98.48% of total minors under the care of regional centers. Additionally, only four regional centers were unable to lower their number of minors compared to their December 2008 baseline data. All four Regional Centers, however, had higher numbers than the statewide average. Based on the results of this measurement, every Regional Center was successful in producing an acceptable number of minors living with families in 2009.

Measure Three:

Measure Three of the performance contract is to "increase the number and percent of adults living in home settings (includes independent living, supported living, adult family home agency homes, and with parents or guardians)". This performance measure determines the total number of adults living in less restrictive community settings, and in the following four performance measures (Measure Four, Measure Five, Measure Six, and Measure Seven) those less restrictive community settings are broken down and measured separately. The Regional Centers attempt to determine how many individuals live in independent living, supported living, Adult Family Home Agency homes, and with parents or guardians, respectively. Measure Three once again measures where the individual with the developmental disability is living, and thus is derived from the Lanterman Act's mandatory right to "treatment, services, and supports in natural community settings" and to "choices in one's own life, including where and with whom

one chooses to live." The goal for Regional Centers with this performance measurement is to continue collaborating with independent living, supported living, Adult Family Home agencies, and families, to be accountable to clients and to ensure that supports are available for individuals seeking independent living options.

In terms of how effectively regional centers are meeting this performance objective, in December 2009, the statewide average for adults living in home settings was 73.20%. For 11 out of 21 Regional Centers, the number of adults living in home settings was more than the state average of 73.20% of total adults under the care of Regional Centers. Zero Regional Centers were unable to lower their number of adults living in home settings compared to their December 2008 baseline data. Based on the results of this measurement, every Regional Center was successful in giving adults the opportunity to live in a home setting in 2009.

Measure Four, Measure Five, Measure Six, and Measure Seven:

As described above, Measure Four, Measure Five, Measure Six, and Measure Seven, are broken down measures of Measure Three. Measure Four is to "increase the number and percent of adults living in independent living". Measure Five is to "increase the number and percent of adults living in supported living". Measure Six is to "increase the number and percent of adults living in Adult Family Home (AFH) agency homes". Measure Seven is to "increase the number and percent of adults living with parents or guardians". The data from these four measures was aggregated to produce the results indicated in Measure Three.

Measure Eight:

Measure Eight of the performance contract is to "decrease the number and percent of minors living in facilities serving more than six individuals". This performance measure determines the number of minors that moved from a state developmental center, or facility that housed more than six individuals, to a less restrictive setting. In Measure Two, the statewide average for minors living in a family home was 98.48% of minors. Measure Eight determines how many of those remaining minors (1.52%) have moved from a large facility to a smaller facility. Measure Eight is another measure of living environment, and thus is derived from the Lanterman Act's mandatory right to "treatment, services, and supports in natural community settings" and to "choices in one's own life, including where and with whom one chooses to live." According to the performance contracts, regional centers use the data collected from Measure Eight to become more accountable to minors living in facilities serving more than six individuals by moving them into less restrictive environments. The goal for regional centers with this performance measure is to make sure that the only children in facilities larger than six are those minors that are receiving treatment in mental health facilities. With this performance measure, the Regional Centers monitor the number of minors that are ready to move to other housing options, such as returning to family homes or moving into natural living environments.

In December 2009, the statewide average for minors living in a large facility (more than six individuals) was 0.13%. For 16 out of 21 Regional Centers, the number of minors living in facilities serving more than six individuals is lower than the state average. Four Regional Centers were unable to lower their own number of minors living

in a large facility from 2008 to 2009; however, each of those Regional Centers was able to produce a lower number than the state average. Based on the results of this measure, the Regional Centers were able to meet their goal of decreasing the number of minors living in a large facility. The DDS is effective in the performance area.

Measure Nine:

Measure Nine of the performance contract is to "decrease the number and percent of adults living in facilities serving more than six individuals". This performance measure determines the number of adults that moved from a state developmental center, or facility that housed more than six individuals, to a less restrictive setting. In Measure One, the statewide average for adults living in a state developmental center was 0.91%. Measure Nine determines how many of those adults have moved from a large facility to a smaller facility, measuring accountability of regional centers to adults with developmental disabilities. Measure Nine is another measure of living environment, and thus is derived from the Lanterman Act's mandatory right to "treatment, services, and supports in natural community settings" and to "choices in one's own life, including where and with whom one chooses to live." The goal for Regional Centers with this performance measure is to provide individuals the options to live in community environments if physically and mentally able. With this performance measure, the Regional Centers monitor the number of adults that are ready to move away from intermediate care facilities or skilled nursing facilities. This measure does not include residential care facilities for the elderly.

In December 2009, the statewide average for adults living in a large facility (more than six individuals) was 4.10%. For 14 out of 21 Regional Centers, the number of adults living in facilities serving more than six individuals is lower than the state average. Zero Regional Centers were unable to lower their own number of adults living in a large facility from 2008 to 2009. Based on the results of this measure, the Regional Centers were able to meet their goal of decreasing the number of adults living in a large facility and show effectiveness.

Additional Public Policy Measures

The performance contracts measure additional public policy compliance measures, such as community living options, employment access, medical and dental service access, and audit accountability. Three additional public policy measures are included in the Regional Centers' performance contracts, for which data is unavailable. The performance contracts indicate that these measures are underdeveloped; the DDS is working on developing methodology to measure them. Table 4.2 lists the additional public policy measures.

Table 4.2 – Additional Public Policy Measures

Regional Center Goals (based on Lanterman Act)
More adults with earned income and average wage
More access to medical and dental services
Less individuals per 1000 who are victims of abuse

(Alta California Regional Center, 2010)

The first additional public policy measure is to "increase the number and percent of adults with earned income and average wage (aggregate)". The employment-based

measure is broken down further to determine the number and percent of adults in supported employment versus competitive employment. As described by the Tri-Counties Regional Center, the objective of this performance measure is to increase employment opportunities for individuals with developmental disabilities. The Regional Centers plan to achieve this performance objective by evaluating employment within the developmentally disabled community in order to develop recommendations for employment processes and procedures. Additionally, the Regional Centers hope to enhance employment-related training, communicate employment-related transportation needs and information, and increase the number of contracts supporting the implementation of micro-enterprise opportunities. Before the next performance contract, the Regional Centers would like to develop baseline information regarding employment for young adults also (Tri-Counties Regional Center, 2008). Employment-based data is one appropriate measure to determine if individuals with developmental disabilities are gaining "social interaction and participation in community activities," as mandated by the Lanterman Act.

The second additional public policy measure is to "increase access to medical and dental services". The Westside Regional Center discusses its planned activities for achieving this goal. Planned activities include: assisting individuals with developmental disabilities in accessing medical support resources such as Medi-Cal; providing individual assessments of client health needs and coordinating follow-up as needed; providing dental assessment; and providing training and information regarding DDS supported services (Westside Regional Center, 2008). Medical and dental-related data

measures the services provided to individuals with developmental disabilities. Information of this nature measures the mandatory rights of "treatments, services, and supports in a natural community setting", and possibly "prompt medical care and treatment" or "freedom from hazardous procedures".

The last additional public policy measure is to "decrease the number of clients per 1000 who are victims of abuse". In the future, the San Gabriel/Pomona Regional Center plans to review incidents of abuse and continue to develop strategies to reduce incidents. It also plans to educate individuals with developmental disabilities on how to prevent abuse and who to contact in cases of abuse (San Gabriel/Pomona Regional Center, 2008). A measure regarding abuse provides information to the public regarding the Lanterman's mandatory right to "freedom from harm, including unnecessary physical restraints, isolation, excessive medication, abuse, or neglect".

Data does not yet exist for the additional public policy compliance measurements.

DDS Compliance Standards

In addition to the performance measurements, the DDS has a list of compliance standards, which each Regional Center must meet. First, the Regional Center must pass an independent audit. Next, the Regional Center must pass a DDS audit. Then, the Regional Center must audit its own vendors. The Regional Center collects information regarding whether or not it overspent its operations budget for the year, whether it participated in the federal waiver, whether it updated its Client Development Evaluation Reports, whether it met the Individual Program Plan requirements for the year, and whether it met the Individualized Family Service Plan requirements for the year. The

Year-End Reports indicate “yes” or “no”, as to whether or not the Regional Center met the compliance standard for the year. The Regional Centers do not include information regarding what the audits entail or what data the Regional Centers collected to come to these conclusions. Data exists for these compliance standards; however, the Regional Centers do not explicitly state the data on the Year-End Reports, nor the performance contracts.

Chapter 5

CONCLUSION

When it comes to developmental disability services, no state is comparable to California in the services and supports it provides to its residents with developmental disabilities. California entitles individuals to the services and supports required to live independent and productive lives. Effectively and efficiently providing services and supports to individuals with developmental disabilities is a priority of California and the DDS.

For the DDS, performance measurement is an important tool to use in determining how effectively and efficiently the department is providing the entitlement to individuals with developmental disabilities. Performance measurement, in the form of performance contracts, makes service delivery providers, the regional centers, and the DDS more accountable to clients for public policy decisions and personal outcomes related to the Lanterman Act.

So, are the DDS' performance contracts adequately measuring how well the Regional Centers are achieving the expectations set forth in the Lanterman Act for California's developmental disability entitlement service system? In Chapter 4, I described the Regional Centers' 2009 Performance Contracts' nine public policy measurements, as well as their public policy compliance measures. In addition, I discussed the performance measurement results of the 2009 Performance Contracts, as presented by the Regional Centers in their Year-End Reports.

According to the Year-End Reports, the DDS is meeting all of its performance measurement goals and objectives as outlined by the performance contracts. However, my findings indicate that the department does not incorporate quality measures into its performance contracts; because of this, the public is only receiving information about the outputs produced by the DDS. Additionally, my findings suggest that while the DDS' performance contracts may use some adequate measures to determine how well the Regional Centers are achieving the expectations set forth in the Lanterman Act, the department lacks performance measures and data in a number of important areas.

Results

The Lanterman Act provides the following mandatory rights to individuals with developmental disabilities: 1) treatment, services and supports in natural community settings; 2) participation in an appropriate program of publicly supported education regardless of the degree of disability; 3) prompt medical care and treatment; 4) freedom of religion and conscience, and freedom to practice religion; 5) social interaction and participation in community activities; 6) physical exercise and recreation; 7) freedom from harm, including unnecessary physical restraints, isolation, excessive medication, abuse, or neglect; 8) freedom from hazardous procedures; and 9) choices in one's own life, including where and with whom one chooses to live, their relationships with people in their community, the way they spend their time, including education, employment, and leisure, the pursuit of their personal future, and program planning and implementation.

Based on the nine mandatory rights listed above, I find that the 2009 Performance Contracts sufficiently inform the public that the DDS meets its organizational goal of

providing less restrictive living options to individuals with developmental disabilities. Measures One through Nine, as described in Chapter 4, determine the living arrangements of clients under the care of a regional center. Providing the option of living in a less restrictive setting is significant to the DDS, as the Lanterman Act stemmed from California's desire to move individuals away from state-operated, 24-hour care facilities into independent living settings. Additionally, to some extent, the nine policy measures evaluate if the DDS is providing treatment, services, and supports in a natural community setting. The DDS' nine performance measures do not indicate if the individual is actually receiving the treatment, services, and supports, but they do indicate that the individual is in a natural community setting. Furthermore, the nine policy measures of the performance contracts attempt to measure if the DDS is allowing individuals with developmental disabilities the ability to choose where and with whom they live. However, the DDS lacks quality measures, making it difficult to determine if in fact the Regional Centers gave individuals the ability to choose where and with whom they live.

Other than providing information on the living options of individuals with developmental disabilities, the 2009 Performance Contracts do not inform the public of how well the department is meeting the provisions set forth in the Lanterman Act. The DDS has not developed quality performance measures for eight of the nine mandatory rights entitled to its clients. Because of this, I am unable to determine if and how well the DDS is meeting its organizational goals and objectives; I am also unable to determine if the DDS is economically using its resources to provide services and supports.

The DDS is responsible for ensuring that approximately 250,000 persons with developmental disabilities receive the services and supports they require to lead more independent and productive lives; its purpose is defined by the Lanterman Act. As such, performance measurement is an important means by which the DDS can convey to the public and the Legislature that it is meeting its purpose as outlined in California state law. I believe that the DDS needs to make improvements to its performance contracts in order to increase internal assessment and external accountability. Ultimately, the DDS' focus should be its purpose: to ensure that individuals with developmental disabilities are able to obtain the services and supports needed to lead more independent and productive lives.

Based on the literature, the Lanterman Act, and my findings, I will provide recommendations for how the DDS can more adequately measure performance, and I will discuss the policy rationale for the performance contracts in the future.

Recommendations

Primarily, the DDS would benefit from developing quality performance measures for all nine mandatory rights.

The DDS has already identified three public policy compliance measures for development in the future. These three public policy compliance measures intend to measure: how many developmentally disabled individuals earned wages in the last year; how many individuals received access to medical and dental services in the last year; and how many individuals were victims of abuse in the last year. It is imperative that the DDS develop methodology to measure these services, as these services describe some of the mandatory rights provided by the Lanterman Act. The three additional public policy

compliance measures will provide much needed information to the department for determining how well the DDS is meeting the provisions of the Lanterman Act. For example, the Lanterman Act provides that individuals with developmental disabilities have the mandatory right to social interaction and participation in community activities. Establishing the number of individuals with developmental disabilities employed within a community will inform the DDS of those individuals that are participating in the community by working.

The DDS can further extend these three performance measures to determine other information that may be important to the department's mission. Such as, if the DDS developed an additional measure to determine how many individuals are ready, willing, and able to work, the DDS could measure the effectiveness of job placement programs for individuals with developmental disabilities. Not only would a measure like this provide information on how many individuals live an independent and productive life by having a job, but it would also provide information on the efficiency of DDS programs. The DDS can use the opportunity of developing new measures to incorporate more quality measures in order to assess how well regional centers adhere to laws and regulations. Improvements and cost-saving ideas may stem from such performance measures.

In addition to the three public policy compliance measures discussed above, the DDS would benefit from developing public policy compliance measures to measure the other five mandatory rights of the Lanterman Act: participation in an appropriate program of publicly supported education; freedom of religion; physical exercise and

recreation; freedom from hazardous procedures; and choices in one's own life. I suggest that the DDS use surveys and the individual's IPP to collect sufficient data. The Regional Centers can use surveys to gather information regarding the choices that the individual has made in his or her own life. The DDS can use data collected from the surveys to determine if the department is meeting its goals in fulfilling the mandatory rights for its clients. Additionally, the Regional Centers can use the IPPs to determine if they are providing the required services and supports to individuals with developmental disabilities. Is the Regional Center providing the services and supports listed in the individual's IPP? If so, the DDS is in fact providing the individual with the entitlement under the provisions of the Lanterman Act, and thus is meeting this performance goal. By using the IPP as a baseline for measurement, the DDS can incorporate more quality and outcomes-based performance measures with the quantity measures currently included in the performance contracts (Cunningham & Harris, 2005, p.31).

Publishing Compliance Standards

I also recommend that the DDS publish, in detail, the compliance standards used to audit the Regional Centers. During each performance contract, the Regional Centers are required to pass an independent audit and a DDS audit; the Regional Centers must also audit their own vendors. The Year-End Reports only indicate "yes" or "no", as to whether or not the Regional Center met the compliance standard for the year, and the performance contracts do not mention the compliance standards at all.

In the interest of transparency and accountability, I suggest that the DDS include compliance standards information in the performance contracts and Year-End Reports.

Information, such as who is being audited, what factors are measured, how are those factors measured, what determines if those factors or successful or not, and how does the organization pass the audit should be disclosed. It would also be helpful to include information on how the organization can improve in the upcoming year. As indicated in the research, the ability to foster communication between government agencies and their clients is an important outcome of performance measurement. Performance measurement provides for objective, positive learning. This learning allows the DDS to collaborate with its clients and to open itself up to new, creative ideas. Communicating performance measures is just as important as the performance measures, themselves. Allowing the public and the Legislature to see the progress the DDS has made in regards to effectiveness and efficiency will bring more credibility to the department, making the DDS accountable to all its clients.

Revising the model

An approach to assessing organizational performance and effectiveness that may be more useful for the DDS is the Balanced Scorecard model. This model views organization effectiveness through four perspectives: the financial perspective, the customer perspective, the internal perspective, and the learning and growth perspective (Rainey, 2003, p.147). This model would be beneficial for the DDS to use, as the goals of the department fall within each of the four categories. The California government mandates the DDS to provide services and supports to individuals with developmental disabilities, while still staying within the confines of the budget; it challenges the DDS with making improvements to its service delivery system without making changes to the

services. The DDS' current performance contracts do not measure variables like public trust, fiscal responsibility, or leadership in the community. While these variables may not be immediately important to the purpose of the organization, they do speak directly to how well the DDS is doing in the eyes of its clients. The Balanced Scorecard measures the economic value of the organization, the customer's satisfaction and retention, response time, and employee satisfaction, among other things (Rainey, 2003, p. 147). Using a Balanced Scorecard model would be a means to achieve organizational goals, motivate staff, judge how well the organization is doing, and reward good performance (Moynihan, 2006). It would also be a means to avoid costly litigation.

In addition to developing financial, customer-driven, internal, and external variables to measure, the DDS must also create baseline measurements that narrate a message to the California people. Comparing the department to itself from the year 2008 to 2009 is the department's attempt to show improvements from one year to the next; however, is this data the best point of comparison to show actual improvements in the department's year to year functions? The DDS should establish target numbers that define success within the agency. This will provide as a positive measurement, by which consumers will be able to assess the department.

Policy Rationale

In 1977, the Lanterman Developmental Disabilities Act established the right of Californians with developmental disabilities to receive treatment and live in "the least restrictive environment" (Foster, 2002); and in 1985, the California Supreme Court ruled that the Lanterman Act was an entitlement.

California is the only state in the nation that attempts to provide developmentally disabled individuals with the services and supports they require to lead more independent and productive lives. The Lanterman Act empowers and extends "equal legal rights and responsibilities under state and federal law" to individuals with developmental disabilities (Kemp, 2010). Fulfilling the entitlement has proved challenging for the DDS, however, as the Legislature continues to cut funding for services and supports. Although not indicated in the results of the Performance Contracts, California still trails a majority of the nation in funding for developmentally disabled residents. California ranked number 37 among states, in the year 2002, in financial commitment to residents with developmental disabilities (Braddock & Hemp, 2004, p.3). While more individuals with developmental disabilities in California now have the legal right to an array of government support services, the need for care for the developmentally disabled exceeds the services available to each individual. In the face of a fiscal crisis, what will the Legislature cut next? Will the DDS be able to continue providing services and supports to its clients within the confines of its budget allocation?

Governor Jerry Brown's 2011-2012 budget plan proposes to cut $750 million in funding to the DDS. To achieve this goal, the Governor suggests that the DDS reduce regional center operations by 4.25%. A cut to the Regional Centers would likely lead to a cut in the services provided to individuals with developmental disabilities. Furthermore, "[t]he remaining $533 million in savings would be achieved by a proposal described as increasing the accountability and transparency for the use of state funds for the administrative expenditures of [Regional Centers] and service providers and through the

implementation of statewide service standards" (Taylor, 2011, p. 35). Statewide standards establish guidelines, by which the DDS can promote consistency in the types of services provided by Regional Centers to individuals with developmental disabilities (Taylor, 2011).

Performance measurement may be the key to the DDS' success in the upcoming years. If the performance contracts adequately measure the department's performance, the DDS can essentially take data from the performance contracts to create cost-saving ideas and service delivery improvements in collaboration with its clients. The DDS has already developed the tool it needs to provide the Legislature with information regarding service delivery; however, depending on how adequate this tool is will determine if the DDS has the appropriate information it needs to meet Governor Brown's budget challenge head-on and address funding cuts without cutting required services and supports.

In this time of recession and economic downturn, it has become more important to the California people to evaluate if their government is actually working for them. This policy rationale is important for the sustainability of the DDS' performance contracts in the future. As a service-based department, the DDS can take advantage of performance measurement to show its clients that it has been successful in helping Californians with developmental disabilities in leading independent and productive lives. The DDS can use this opportunity to assess how well it is performing as an organization.

It should not be difficult for the DDS to obtain data and develop additional performance measures. The department already meets with the Regional Centers,

services providers, clients, and clients' families to gain insight into what the department needs for improvement. The DDS can revise its performance measurement efforts, and as a result accurately report to individuals with developmental disabilities that they are receiving the services and supports entitled to them in the Lanterman Act.

With performance measurement, the DDS can ensure that common goals and purpose are the focus of staff and management. The DDS can allocate budgets effectively and use the limited money available to make good choices on behalf of the department. The DDS can confirm to the California people that it strives to provide excellent customer service and a good quality product. Ultimately, performance measurement will bring about more accountability from the DDS and the Regional Centers, making providing services more efficient and the entitlement service more effective.

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